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British Virgin Islands

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I. Background information

1. The British Virgin Islands[1] are located about 60 miles east of Puerto Rico and 15 miles from the United States Virgin Islands. The Territory comprises a group of 50 islands that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The capital city, Road Town, is located on the largest island, Tortola. The other major islands are Virgin Gorda, Anegada and Jost Van Dyke.

2. The earliest inhabitants of the British Virgin Islands were the Arawaks and the Caribs. The islands were sighted in 1492 by Christopher Columbus. The Dutch established the first permanent European community on the islands in 1648. In 1666, British planters took control of the islands and the Territory attained the status of a British colony. The planters were granted civil government, constitutional courts, an elected House of Assembly and a partly nominated Legislative Council, which first met in 1772. In 1872, the islands became part of the Federation of the Leeward Islands. In the 1930s and 1940s, British Virgin Islanders demanded greater self-governance, which led to the Territory becoming a separately administered colony in 1956.

3. At the beginning of 2005, the official results of the 2001 census were ready. According to press reports, the population of the British Virgin Islands had grown by 50 per cent over 10 years, to a total of about 24,000. About 45 per cent of the total are British Virgin Islanders. Approximately 83 per cent of the Islanders are of African descent, the remainder being of European or other origin. Immigration accounted for 45.4 per cent of the population growth between 1991 and 2001.

II. Constitutional, political and legal issues

4. The British Virgin Islands is a Non-Self-Governing Territory (British Overseas Territory) under the administration of the United Kingdom of Great Britain and Northern Ireland. The Constitution, formulated with local input, was adopted in 1967 and amended in 1976. The administering Power appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts; the Governor retains legislative powers as necessary to exercise special responsibilities. The Executive Council consists of the Chief Minister (appointed by the Governor from among the elected members of the Legislative Council) who has responsibility for finance, three ministers (appointed by the Governor on the advice of the Chief Minister) and one ex officio member (the Attorney-General). The Governor is the Chairman of the Executive Council and must consult with it in the exercise of his duties. The Legislative Council consists of a Speaker, the Attorney-General as an ex officio member and 13 elected members (9 members from one-member electoral districts and 4 members representing the Territory at large).

5. There are four political parties in the British Virgin Islands: the Virgin Islands Party (VIP); the United Party (UP); the Concerned Citizens' Movement (CCM), which was founded in 1994 as a successor to the Independent People's Movement; and the National Democratic Party (NDP), founded in 1998.[2] General elections must be held at least once every four years. Candidates are elected based on a simple majority. Persons voting must be 18 years of age or over and have "belonger status".

6. In the general election held on 16 June 2003, the National Democratic Party won 8 of the 13 seats on the Legislative Council and subsequently formed the Government. After 17 years in office, the Virgin Islands Party lost power and now forms the opposition. The Chief Minister is Dr. Orlando Smith.

7. The Governor of the British Virgin Islands, Thomas T. Macan, took office in October 2002.

8. The law of the British Virgin Islands is the common law of England and locally enacted legislation. Justice is administered by the Eastern Caribbean Supreme Court, based in Saint Lucia, which consists of two divisions: the High Court of Justice and the Court of Appeal. There are two resident High Court Judges, and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a Magistrate's Court, which hears prescribed civil and criminal cases, a Juvenile Court and a Court of Summary Jurisdiction. The United Kingdom Privy Council is the final court of appeal.

9. Following a highly publicized corruption trial (see paras. 55 and 56) and in keeping with its campaign promises, the newly elected Government declared its commitment to "open governance" and its intention to table an integrity bill to regulate the conduct and accountability of the civil servants. In September 2003, the Chief Minister confirmed that such legislation would be passed in early 2004.[2]

10. As was reported in the previous years (A/AC.109/1999/1 and Corr.1, annex; A/AC.109/1999/9, para. 28; and A/AC.109/2003/5, para. 12, A/AC.109/2004/3, para. 16), the British Overseas Territories Act 2002 (see A/AC.109/2002/2/Add.1) granted the right of full British citizenship to all inhabitants of the Overseas Territories and formally abolished the term "colony" in favour of "Overseas Territory".

11. In April 2004, the Chief Minister launched a nine-member Constitutional Review Committee, which will serve for one year, tasking it with conducting a review of the existing Constitution and making recommendations for its change. The members of the Committee, which include a wide cross-section of representatives from areas such as tourism, construction, law, education, financial services, communications and business, were selected by the elected members of the Legislative Council. A Government statement announcing the creation of the Committee pointed out that this was "the first time in the Territory's history that the process of constitutional review was being carried out within the British Virgin Islands by locals alone" and not as a declaration of United Kingdom Government. Some of the key areas the Committee will focus on include examining the duties of the Attorney General and the way to ensure that the Government gets the best legal advice; addressing issues related to "belonger status"; finding ways to ensure the protection of the legitimate rights of the indigenous population; considering the inclusion of a human rights chapter in the Constitution; reviewing the powers of the Governor; and the functioning of the Executive Council and the checks and balances of good governance. In connection with the existing Constitutional review, the Government appealed to the population to familiarize themselves with the Constitution and to participate in the discussion of the proposed changes. In order to educate the public and obtain their input in the Constitutional review, the Committee conducted a number of meetings throughout the Territory. It also held a meeting

with the League of British Virgin Islanders residing in the neighbouring United States Virgin Islands.[3]

12. The last Constitutional Review in the Territory was conducted in 1993. The Report of the Constitutional Commissioners included 22 recommendations for action by the United Kingdom Government and 9 recommendations for action by the British Virgin Island's Government. According to press reports, only a small number of these recommendations had received some attention since their submission, thus in 1997 the categories of "belongers" were examined and subsequent changes were made in the Constitution in 2000.[4]

III. Budget

13. The 2005 Budget envisaged revenues of $217 million and recurrent expenditure of $188 million. It included the capital expenditure of $40 million. Approximately $25 million were expected to be funded from revenue and $15 million through loans. At the same time, $1 million was intended to go to the Emergency/Disaster Relief Fund. Presenting the Budget, the Finance Minister announced that the Government would contribute $2 million to the reserves as part of the promise to continue building the official reserves sufficient to cover at least three months operating expenditure, approximately $48 million.

14. The 2005 Budget projected a $10 million decrease in Government spending and envisaged a surplus of $20 million. The Territory's foreign debt stood at $50 million, while the domestic debt was estimated at $40 million.[5]

IV. Economy

A. General

15. The economy of the British Virgin Islands is based on tourism and offshore financial services, which account for 75 per cent of the Government's recurrent revenue.

16. According to the administering Power, the Territory's principal trading partners are the United States of America, Puerto Rico, countries members of the Caribbean Community (CARICOM) and the United Kingdom. Imports consisted mostly of food, machinery and fuel.

17. The Economist Intelligence Unit reported that the gross domestic product (GDP) of the British Virgin Islands amounts to $827 million in 2003 with real GDP growth of 3.2 per cent. According to the Minister of Finance, the estimated growth of the Territory's economy in 2004 was 2 to 2.5 per cent.[6] The positive economic outlook for the economy, notwithstanding its small size, geographic dispersion, and dependence on tourism and financial services, was also reported by the Caribbean Development Bank (CDB). The rise in real output was attributed to the heightened tourism activity supported by continued growth in the financial services sector. According to the CDB, in the public sector, containment of expenditures, particularly on capital items, offset revenue shortfalls and led to an improvement in the Government's overall fiscal position.[7]

18. During the period under review, a serious reform of the Territory's tax system was instituted. In November 2004, the Finance Minister announced that under the new international rules, agreed to by the United Kingdom, the Territory was no longer permitted to allow international business companies (IBCs) to operate in the Territory tax-free, while income tax was being imposed on local businesses. Effective 1 January 2005, all businesses in the Territory are exempt from income tax. At the same time, employers will pay 6 or 2 per cent payroll tax depending on the size of the business. Under the new regulation, employees no longer have to pay income tax based on the pay-as-you-earn (PAYE) system. Their contribution will be 8 per cent, with the first $7,500 of employee income's remaining tax free. The Payroll Tax Bill was passed in December 2004. The Government organized a public education campaign through a series of radio and television broadcasts, seminars and a telephone help line with a view to explain the payroll tax to the population.[8]

19. In order to promote a stronger relationship with the Asian business community with a view to stimulating mutual growth based on open trade and increased commerce, in May 2004, the Chief Minister, the Minister of Finance and a delegation of over 30 members of the private sector, representing the local financial services industry, met with business leaders from two provinces of China, namely Hong Kong and Taiwan, Singapore and others from across the Asia-Pacific region. Over 400 high-ranking business leaders from across the Asia-Pacific region attended the presentations of the British Virgin Islands delegation. Additionally, the Chief Executive Officer of the Financial Services Commission and several members of the private sector delegation of the Territory made presentations. Separate meetings were held with both Government and private sector representatives from the British Virgin Islands and their counterparts from the region.[9]

B. Agriculture and fisheries

20. Agriculture contributes 1.5 per cent of GDP and engages 1.9 per cent of the population in paid employment. There are serious obstacles to developing the agricultural sector, such as a shortage of labour, water and marketing facilities. The fishing industry contributes 1.3 per cent to the Territory's GDP.

21. As reported in the previous Working Paper (A/AC.109/2004/3, para. 26), the Government took steps to strengthen the agricultural sector, which included providing training to farmers and assisting them in marketing their produce. According to press reports, the Territory now imports large amounts of organic food and organically grown produce. At the same time, locally grown fruit and vegetables have become increasingly popular with the public, as well as with local restaurateurs, who support the local farmers.[10] In order to promote farming, the Department of Agriculture organized, in March 2004, agricultural exhibitions on the islands of Anegada and Virgin Gorda, as well as a Food Fair and Market Day, as part of the Farmers Week.[11]

22. According to the Food and Agricultural Organization of the United Nations (FAO) Fisheries Report issued in 2004, the two main types of fisheries in the Territory are small-scale (commercial) and recreational fisheries. There is also the offshore longline pelagic fishery with only one longline vessel in operation. The commercial fishers comprise about 300 boats, with 50 per cent of the fishers owning their fishing gear and the remainder acting as helpers or employees of the gear

owners. The species of fish landed include blue tang, doctor fish, parrotfish, grunts, triggerfish, snappers and groupers. Most fishers market their own catch at various places within the Territory, with an appreciable number of fishers selling their catch directly to the hotels and restaurants and a small number selling their fish to the British Virgin Islands Fishing Company. The Report also states that recreational fishers who operate within the Territory's waters are based outside the Territory and are primarily visitors who fish for pleasure, with about 80 per cent of licences issued to foreign boats.[12]

23. In order to further develop the agriculture and fishery industry, the Government of the British Virgin Islands signed, in June 2004, a Memorandum of Understanding with the State of Maryland, United States. The two parties intend to develop cooperation in agriculture and fishery. The joint projects would include trade and training activities, development of sheep breeding and the expansion of the fishery industry, in particular fish, lobster and shrimp farming.[13]

C. Tourism

24. A rich vegetation, unspoiled beaches, yachting marinas and fine coral reefs make the islands a natural tourist destination, and tourism continues to be the most important economic sector for the Territory. Unlike the international financial services, tourism is an important source of employment and revenue, and contributes to a host of other sectors, such as the construction and retail sales sectors.

25. According to the Economist Intelligence Unit (EIU), the tourist industry of the Territory is geared towards the upper end of the market and is based mainly on luxury accommodations and yacht charters, with yachting visitors outnumbering hotel guests in most years. Air arrivals reached 194,000 in 2003 and stop-over arrivals by boats accounted for a further 256,000 visitors. The number of cruise-ship passengers in the same year rose to 304,000. The Economist Intelligence Unit reports that there is a fear that the influx of cruise-ship tourists into the Territory might affect the "up-market" image of the islands.[14]

26. During the period under review, the Territory's Government continued efforts to develop the existing and new markets and expand the tourist industry as a top-class destination. According to the Tourist Board, in addition to the North American and European markets, the Government is seeking to attract the ever-growing affluent African-American and Latin population and intends to target new markets in Asia. Plans are also in place to expand the French Caribbean markets, and the Tourist Board is focusing on the large number of French tourists who visit the French islands.

27. In order to further rise the level of customer service, in October 2004, the Tourist Board introduced the new hotel industry standards, which are designed to ensure high quality of service delivery. The industry-agreed standards programme was preceded by a series of consultations with focus groups earlier in the year. The programme includes the development of the Standards of Performance Manuals for hotels and restaurants, as well as a programme of quality inspections. The Government's investment in the programme will total $3 million over the next three years.[15]

D. Finance

28. The provision of international financial services is one of the two pillars (along with tourism) of the British Virgin Islands economy. Fees from these services alone bring in more than half of the Government's revenue. The British Virgin Islands was one of the first Territories to adopt legislation (in the mid-1980s) allowing registration of international business companies and continues to claim about 45 per cent of the world's market. The British Virgin Islands does not tax the assets of the companies, ensures their privacy and has a well-educated population, which enhances the quality of the services and regulation provided. At present, there are about 600,000 international business companies (IBCs) registered in the Territory.[16]

29. During the period under review, the Government continued to improve the legislation regulating the financial industry. According to the Chief Minister, the new Business Companies Act (2004), which replaces the existing Companies Act and the International Business Companies (IBC) Act, is designed to appeal to international clients, while providing a suitable legal framework for firms undertaking domestic business. The new Act took effect on 1 January 2005 and will completely replace current companies legislation by 1 January 2006. When fully enacted, the Business Companies Act will extend the zero tax regime currently enjoyed by IBCs to local companies and will bring the Territory into full compliance with the European Union (EU) Savings Tax Directive and EU Code of Conduct on Business Taxation, as required by the United Kingdom of all its Territories.[17]

30. In July 2004, the British Virgin Islands announced that the deadline by which bearer shares issued by the international business companies must be "immobilised" had been extended from the end of 2004 to the end of 2010. Under the amendment to the International Business Companies Act (2003), the companies were allowed continued use of bearer shares, but were required to register them with an authorized and recognized custodian. These custodians, which in the British Virgin Islands will be banks, trust companies licensed in the Territory and institutions based in the jurisdiction, will hold information on the shares' beneficial ownership. The International Business Companies Act (2004) supersedes the earlier legislation provided for a seven-year transition period. According to the Financial Services Commission, the measures enable the Territory to comply with all international standards and the anti-money-laundering recommendations of the Financial Action Task Force.[18]

31. In July 2004, the Chief Minister responded to a statement made by the Under Secretary of State of the Foreign and Commonwealth Office regarding the effect of the European Union (EU) Savings Directive on the British Virgin Islands. While the Under Secretary stated that there was no evidence that the Territory's businesses would relocate as a result of the application of the EU Savings Directive, the Chief Minister indicated that, according to the Maxwell Stamp Report, which had specifically looked at the potential economic consequences for Territory of the implementation of the EU Savings Directive, "The savings directive will have an initial and continuing negative impact on the BVI's financial services sector from an initial loss of flight business and a future loss of new business." The report further states that Territory's economy could decline by as much as between 10 per cent and 20 per cent.[19]

E. Transport and communications

32. According to the Economist Intelligence Unit, the British Virgin Islands have 210 kilometres of surfaced roads. Direct shipping services operate from the United Kingdom, the United States and the Netherlands; a deepwater harbour exists in Road Town. A regular ferry service links Tortola with some of the other islands and with St. Thomas of the United States Virgin Islands. There are three international airports in the British Virgin Islands. Fifteen airlines fly to the Territory.

33. As was reported in last year's Working Paper, a new terminal in the Beef Island Airport (renamed T. B. Lettsome International Airport) was opened in 2002. After long delays and a corruption scandal (A/AC.109/2004/3, paras. 55 and 56), the National Democratic Party Government signed a contract to expand the runway.

34. In May 2004, the runway extension and control tower facility of the T. B. Lettsome International Airport were officially opened. The new 4,600 feet long runway is able to accommodate the larger ATR-72 aircraft used since 2004 by the American Eagle regional airline network. According to the Minister of Communications and Works, the extended runway and the taller control tower will greatly enhance the safety of aircraft operations at the Territory's airport. The overall expansion of the airport is the largest project ever undertaken in the history of the Territory and the facility is in the Chief Minister's words, "an indication of what the British Virgin Islands can accomplish as a Territory of people who aspire to be on the cutting edge".[20]

35. The British company Cable and Wireless provides basic telephone services in the British Virgin Islands. The current contract with the company expires in 2007. Following the Government's decision not to renew its exclusive licence and to negotiate a competitive market, the company is working with the Government in order to find a suitable model for the liberalization of the local telecommunications industry. According to press reports, Cable and Wireless is upgrading its network with the most technologically advanced systems.

36. During the period under review, the Government continued to take steps towards the liberalization of the telecommunication industry. In late 2004, the telecommunications regulatory adviser hired by the Government visited the Territory and held a series of meetings with various stakeholders in the sector. The adviser will also assist in developing a policy that would set up expectations and requirements for telecommunications operators intending to do business in the British Virgin Islands.[21]

V. Social conditions

A. General

37. Public assistance is provided for those who need it through the Social Security Board, a statutory body that falls under the Ministry of Finance. It provides for sickness and maternity benefits, as well as pensions. According to the administering Power, the Social Development Department has a number of programmes, which include Elderly and Disability Services, Family and Children Services, Rainbow Children's Home, Social and Legal Aid, and Community Development. Considerable attention is paid to the youth programmes.

38. As reported in last year's Working Paper (A/AC.109/2004/3, para. 43), immigration accounts for almost half of the population growth in the Territory. The previous census indicated that 53 per cent of managers, 65 per cent of professionals and 52 per cent of assistant professionals were immigrants. In total, immigrants constituted 61 per cent of the working labour force.

39. During the period under review, the Government continued to address the issue of immigration. In December 2004, the Chief Minister announced the new immigration policy related to residence and "belonger" (local citizenship) status. Under the new policy, persons who have resided in the Territory continuously for more than 20 years will be recommended to be granted residence status. However, only 25 persons will be granted the status per year. The existing backlog of approximately 375 applicants will be cleared during 2005. The Chief Minister also announced that the Government remains committed to review the entire immigration legislation to ensure, among other things, belonger status for children born outside the Territory to a British Virgin Islander parent whose entitlement to belongship is by descent.[22]

B. Labour

40. The labour force of around 12,200 is engaged primarily in tourism (25 per cent), government employment (21 per cent) and construction (10 per cent). According to the Economist Intelligence Unit, unemployment is negligible.[23]

C. Education

41. Education is free and compulsory in the Territory between the ages of 5 and 11 years; secondary education (from 12 to 16 years) is also free. There are 18 public and 11 private primary schools in the Territory, on Tortola, Anegada, Virgin Gorda and Jost Van Dyke. There are three high schools (one private and two public) and a community college at Road Town. Secondary education is available to the General Certificate of Education "A" Level. Higher education is provided by the University of the West Indies. The H. Lavity Stoutt Community College offers associate degree courses and technical education.

42. In the State of the Territory address, the Chief Minister reiterated the commitment of the Government to provide the young generation with the best education. In order to provide world-class education, the Government started the

National Curriculum project. The project brings together local and overseas education professionals and experts, who will develop a comprehensive curriculum to be introduced in the Territory's schools. The Chief Minister also announced the plans for improving the existing school buildings and for the construction of a new high school.[24]

D. Public health

43. The territorial Government is the major provider and financier of health services. The Territory has one public hospital (Peebles Hospital), one health centre at Road Town and a network of eight district clinics, as well as two satellite clinics at Brewers Bay and Sea Cow Bay. Private health care is provided by one private hospital, two private dental surgeries, two private medical complexes and nine private physicians. According to the administering Power, health services are almost entirely financed (95 per cent) from the Consolidated Fund. User fees generally constitute 8 per cent of the operating costs of services. In 2002, total recurrent expenditure for health was $28.7 million. Expenditure for public health services overseas was $700 thousand in 2003.

44. In 2004, the long awaited project to expand and modernize the Peebles Hospital got moving. In the State of the Territory address, the Chief Minister reported that the Hospital Expansion Project was into the second phase of the design process. The Project included a casualty unit, a diagnostic laboratory, a new pharmacy and a dialysis unit. At the beginning of 2005, the designs were further revised with the view to reducing the construction and operation costs, while increasing the function. Under the improved design, the Hospital will cover some 135,000 square feet and will include 128 beds. The new plan also includes two vacant floors for later expansion. At the same time, the overall construction cost was $19.5 million less than the original design.[25]

45. During the period under review, the Government continued efforts to combat HIV/AIDS. Growing concern over high rates of HIV/AIDS in the region has led doctors and government officials of the Territory to increase their efforts to treat existing patients and fight the spread of the disease. The National AIDS Programme was started in 2003. According to the Coordinator of the Programme, between 1985 and June 2004, 42 people have been diagnosed with AIDS in the Territory and 24 of them have died. However, a recent Caribbean Economic Council study in the Territory indicated that as many as 300 people could be infected. In this connection, the Government established an education programme to seriously promote healthy sexual behaviour. An important part of the Programme is to encourage the people to be tested for HIV/AIDS. The National AIDS Programme Coordinator also established the HIV/AIDS sensitization programmes for private and public sector health care providers (nurses, doctors, dentists, physical therapists, lab technicians and radiology).[26]

E. Crime

46. The Royal Virgin Islands Police Force maintains three stations on Tortola and one each on Virgin Gorda, Anegada and Jost Van Dyke.

47. According to the Police Commissioner, in 2004, the British Virgin Islands saw an 8 per cent reduction in major crime. Nevertheless, the overall number of criminal acts increased by 7 per cent and a number of arrests by 10 per cent.

48. According to press reports, during 2004, the increased level of crime in the Territory became a matter of national concern and, at the beginning of 2005, was brought to the attention of the Legislative Council. According to the Chief Minister, the main causes of crime are drug abuse, domestic violence, unemployment and illegal immigration. The discussion also brought to light the inadequacy of the law enforcement and criminal justice system. The Chief Minister intends to develop a new strategy to combat crime.[27]

49. The upsurge of crime in the Territory was one of the issues discussed during the visit of the United Kingdom Foreign and Commonwealth Minister to the British Virgin Islands in September 2004. The Minister was briefed by the police authorities on the strategic challenges that the police had been confronted with. At the same time, the Minister acknowledged the public's concerns with the recent murders in the Territory and disclosed that there was a strong plan in place and that a lot of action was being taken.

50. The Minister also stated that the United Kingdom Foreign Office had recently funded the purchase of a boat to help patrol British Virgin Islands waters in order to tackle illegal immigration.[28]

VI. Environment

51. In August 2004, the Government of the British Virgin Islands and the Government of the United States of America signed a Memorandum of Understanding (MOU) related to the oil spill near the Territory's shores. Five months earlier, more than 200 gallons of oil had spilled into the sea at Pockwood Pond, Tortola, during a ship-to-shore hose operation from an oil tanker to a gas station. More than 5,250 feet of coastline were affected and dead marine species were found during clean-up efforts. Under the bilateral agreement, the United States will assist with problems arising from the discharge of oil or other hazardous and noxious substances into waters of the British Virgin Islands.[29]

VII. Relations with international organizations and entities

A. United Nations system

52. The Territory enjoys associate membership in the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Economic Commission for Latin America and the Caribbean (ECLAC). The Territory also receives some funds from the United Nations Development Programme (UNDP) in implementing its country cooperation framework.

B. Regional organizations and entities

53. The Territory is an associate member of CARICOM, whose goal is to promote closer political and economic integration among Caribbean States, and the Organization of Eastern Caribbean States (OECS). Because of its relatively high level of economic development, the Territory is being pressured to become a full member and to open its labour market to OECS workers. It is a borrowing member of the Caribbean Development Bank. It is also a signatory to the Lomé Convention, which provides for some development assistance.

VIII. Future status of the Territory

A. Position of the territorial Government

54. As reported in paragraph 11 above, a nine-member Constitutional Review Committee was established by the Chief Minister in April 2004.

55. The constitutional issues were also discussed during the visit to the Territory of the United Kingdom Foreign and Commonwealth Minister at the beginning of September and at the sixth Overseas Territories Consultative Council (OTCC) meeting in London at the end of September 2004.

56. During the visit of the Foreign Minister to the Territory, he discussed with the Chief Minister the long-term constitutional settlement for the British Virgin Islands. The Foreign Minister made clear his view that the United Kingdom valued "the Overseas Territories as a whole" and that they were very pleased that the Territories remain associated with the United Kingdom. However, if at any stage any of "the Overseas Territories" wish to begin moving towards independence by consulting properly and demonstrating that the majority of their population were in favour of that, the United Kingdom would not stand the in way of their independence.[30]

57. The sixth Overseas Territories Consultative Council (OTCC) meeting in London was described by the Chief Minister as highly successful. According to the Chief Minister, constitutional advancement in the Territories was discussed in detail. He noted that the British Virgin Islands Government preferred to have a constitution that suited the British Virgin Islands' level of development. He stated: "We are not interested in the constitution of one country or another. It is our view that, once the concerns of Her Majesty's Government as they relate to continued liability and good governance are addressed, the elected representative should be given full authority to manage the basic institutions of the territory without interference. ... In that way, the representative would be better able to lead and work for the people who elected him."

58. The Chief Minister also reported that discussions held with the Department for International Development focused on climate change, HIV/AIDS and child protection.

59. Another issue discussed at the OTCC meeting related to the restoration activities in the Cayman Islands following the passage of Hurricane Ivan. According to the Chief Minister, the United Kingdom pledged support for the ongoing restoration efforts and the British Virgin Islands and Bermuda agreed to assist the

institutions in the Cayman Islands affected by the hurricane. Thus, the Territory had already contributed US$ 10,000 and had sent five police officers to help maintain law and order.[31]

B. Position of the administering Power

60. In his statement at the 3rd meeting of the Fourth Committee, on 5 October 2004, at the fifty-ninth session of the General Assembly (see A/C.4/59/SR.3), the representative of the United Kingdom said that the United Kingdom again welcomed the opportunity, as administering Power for ten of the sixteen Territories on the United Nations list of Non-Self-Governing Territories, to update the Committee on developments since it had last met.

61. He stated that the partnership between the United Kingdom and its Overseas Territories continued to develop. The sixth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2004. The Council, which had been chaired by Bill Rammell MP, Minister for the Overseas Territories, was the forum for dialogue between democratically elected Chief Ministers, their equivalents from the Territories and United Kingdom Government Ministers. The meeting in 2004 again gave an opportunity for discussion on the relationship between the United Kingdom and the Territories, on constitutional modernization issues, on sustainable development, including good governance and environmental matters, and on other issues relating to the United Kingdom's international obligations.

62. The representative stated that Mr. Rammell had made useful visits to two of the Territories, the Falkland Islands (Malvinas) and the British Virgin Islands, over the past year. These had enabled him to meet a range of people in the two territories and to get a better, first-hand, knowledge of them. He had also been able to have discussions on a wide range of issues with elected representatives in their own Territories.

63. The United Kingdom, he pointed out, welcomed the progress that was being made in the constitutional review process. Useful and productive discussions had been held over the past year by United Kingdom officials with representatives of Montserrat, St. Helena and the Turks and Caicos Islands. In St. Helena, a draft Constitution had been prepared and wider consultation on it was under way. Constitutional reform proposals for Gibraltar had been tabled in December 2003. Dates had not yet been set for formal talks.

64. Conscious of the limited resources in a number of the Territories, the United Kingdom Government continued to support projects in various fields to raise local capacity and to promote sustainable development and good governance. Projects ranged from economic diversification to the reform of legislation governing child and family welfare and to a study on the alternatives to custodial sentencing.

65. He recalled that in 2003, the representative of the United Kingdom had said that additional funds had been expected to be provided by the Foreign and Commonwealth Office and the Department for International Development to support environment work in the Territories and the implementation of the Environment Charters for the Overseas Territories, signed in 2001. This joint Overseas Territories Environment Programme was funding 23 new projects in 2004-

2005, of which three were multi-Territory initiatives. These included habitat restoration, surveys of living natural resources, and capacity-building for both government and civil society institutions.

66. Regrettably, he said, the Caribbean had again suffered badly from hurricanes and, in the context of the Territories, he mentioned the devastation caused by Hurricane Ivan to the Cayman Islands, despite good local contingency planning. The United Kingdom had been able to provide some immediate help, and other Territories and neighbouring States had also helped. The United Kingdom and the Cayman Islands were very grateful to all for their assistance. Although much remained to be done, encouraging steps were being taken to enable the Territory to return to normality. The Turks and Caicos Islands also had suffered quite extensive damage to part of the Territory a few weeks earlier.

67. The United Kingdom representative mentioned that, in response to requests from some Overseas Territories for help in accessing European Commission economic, trade and development assistance, an official with responsibility for liaising with the Commission had been appointed last year to the Foreign and Commonwealth Office's Overseas Territories Department. He continued to work with several of the Territories to identify and pursue Commission development aid as provided for under the European Union-Overseas Countries and Territories (EU-OCT) Overseas Association Decision of November 2001.

68. The representative said that the United Kingdom continued its informal cooperation with the Special Committee of 24 on decolonization. The most recent involvement had been when a United Kingdom representative had attended and presented a paper on constitutional developments in the United Kingdom Territories at the Special Committee of 24 seminar in Papua New Guinea in May 2004. He stated that perhaps the most positive recent development had been the proposal for a visit to Bermuda with a view to considering movement towards that Territory's delisting. He concluded by saying that the Secretariat was in touch directly with Bermuda on preparing for this.

C. Consideration by the General Assembly

69. On 10 December 2004, the General Assembly adopted resolutions 59/134 A and B without a vote; section IV of resolution 59/134 B concerns the British Virgin Islands.

Notes

[1] The information contained in the present working paper has been derived from published material and from material provided by the administering Power under Article 73 e of the Charter of the United Nations.

[2] *The Island Sun*, 26 September 2003.

[3] *The Island Sun*, 1 May, 18 September, 2 December 2004, 29 January 2005; BBC Monitoring Americas, 19 May 2004.

[4] *The Island Sun*, 18 September 2004.

[5] The BVI Beacon, 18 February 2005, BBC Monitoring Americas, 3 December 2004.

[6] Economist Intelligence Unit, www.eiu.com; *The Island Sun*, December 2004.

[7] *The Island Sun*, 21 August 2004.

[8] *The Island Sun*, November 2004, January 2005.

[9] *The Island Sun*, May 2004.

[10] *The Island Sun*, 29 May, 2004.

[11] *The Island Sun*, 13 March, 3 April 2004.

[12] FAO Fisheries Report No. 729, Food and Agriculture Organization of the United Nations, Subregional Office for the Caribbean, Rome, 2004.

[13] Caribbean Net News, 15 June 2004.

[14] Economist Intelligence Unit, www.eiu.com.

[15] Caribbean Net News, 2 November 2004, *The Island Sun*, 9 January, 13 March, 3 April, 17 July, 16 October 2004.

[16] Economist Intelligence Unit, www.eiu.com.

[17] *The Island Sun*, 23 October 2004.

[18] International Money Marketing, 14 July 2004.

[19] BBC Monitoring Americas, 21 July 2004, *The Island Sun*, 24 July 2004.

[20] *The Island Sun*, 29 May 2004.

[21] *The Island Sun*, 9 October, 6 November 2004.

[22] *The Island Sun*, 11 December 2004.

[23] Economist Intelligence Unit, www.eiu.com.

[24] Development Planning unit of the British Virgin Islands, State of the Territory Address, 1 July 2004, http://dpu.gov.vg.

[25] *The Island Sun*, 10 July 2004, 15 January 2005.

[26] *The Island Sun*, 6 July, 4, 29 September, 26 November 2004.

[27] *The Island Sun*, 12 July, 9 October, 25 November 2004, 5, 19 February 2005.

[28] *The Island Sun*, 11 September 2004.

[29] *The Island Sun*, 21 August 2004.

[30] *The Island Sun*, 11 September 2004.

[31] Caribbean Media Corporation news agency, 24 September 2004.